

Nekaneet First Nation

Consolidated Financial Statements

March 31, 2022

Nekaneet First Nation

Management's Responsibility for Financial Reporting

March 31, 2022

The financial statements have been prepared by management in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada (CPA) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

Nekaneet First Nation

November 24, 2022

Date



McClelland Debuschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

To the Members of
Nekaneet First Nation

Opinion

We have audited the consolidated financial statements of Nekaneet First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Nekaneet First Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 26. in the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2021 has been restated. The consolidated financial statements for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on October 26, 2022. The matter giving rise to the qualified opinion has been resolved in the current year. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free

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McClelland Debuschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the first nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McClelland Debuschere
CPA PC INC

Saskatoon, SK
November 24, 2022

Chartered Professional Accountants

Nekaneet First Nation

Consolidated Statement of Financial Position March 31, 2022

	2022	(Restated - see Note 26) 2021
Financial Assets		
Cash	\$ 262,323	\$ 112,311
Restricted assets (Note 2)	169,201	225,905
Trust funds held by Federal Government (Note 3)	19,876	20,612
Accounts receivable (Note 4)	609,057	203,062
Due from New Horizon First Nations Administration (Note 5)	74,573	204,573
Limited partnership interests (Note 6)	419,650	439,927
	\$ 1,554,680	\$ 1,206,390
Financial Liabilities		
Bank indebtedness (Note 7)	375,631	85,636
Accounts payable (Note 8)	532,867	588,742
Unexpended revenue (Note 9)	1,297,268	1,102,609
Long term debt (Note 10)	4,118,493	3,868,765
Loss in government business enterprises (Note 11)	1,298,791	1,299,806
	7,623,050	6,945,558
Net Financial Debt	(6,068,370)	(5,739,168)
Non-financial Assets		
Capital assets (Note 12)	8,198,122	8,238,281
Prepaid expenses	-	6,497
	8,198,122	8,244,778
Accumulated Surplus (Note 13)	\$ 2,129,752	\$ 2,505,610

Approved on behalf of the Nekaneet First Nation

Signature on file _____,

Signature on file _____

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Consolidated Statement of Operations For the Year Ended March 31, 2022

	2022 Budget	2022	(Restated - see Note 26) 2021
Revenue			
Grants and Contributions			
Indigenous Services Canada (Note 14)	\$ 2,885,322	\$ 4,595,006	\$ 5,130,422
Canada Mortgage and Housing	100,654	486,355	149,475
File Hills Qu'Appelle Tribal Council	300,177	384,807	480,728
Ottawa Trust (Note 3)	121,000	131,764	177,537
First Nations Trust	124,000	101,461	123,625
Government of Saskatchewan	30,000	25,765	16,263
Other revenue	579,073	1,202,027	1,024,546
Community Development Account	280,000	400,872	432,639
TC Keystone Pipeline LP	-	176,000	386,000
Keseechiwan Holdings - monetary benefit	80,000	90,159	81,505
Living Sky Community Development Corp	-	11,474	18,170
Earnings in GBE (Note 11)	-	815	-
Limited Partnership Loss (Note 6)	-	(20,277)	(17,596)
Recognition (deferral) of unexpended funding (Note 9)	-	(194,659)	(415,682)
	4,500,226	7,391,569	7,587,632
Expenses			
Community Development (Schedule 1)	538,058	640,276	1,519,047
Economic Development (Schedule 2)	33,369	203,461	74,164
Education (Schedule 3)	1,041,448	1,387,830	895,667
Indigenous Government Support (Schedule 4)	608,545	500,654	694,923
Social Development (Schedule 5)	316,714	487,835	497,917
Registration and Membership (Schedule 6)	5,000	5,023	4,120
Governance and Institutions (Schedule 7)	85,000	386,685	403,523
Health Services (Schedule 8)	704,933	806,317	1,090,140
CMHC Operations (Schedule 9)	157,835	253,639	15,958
Band Programs (Schedule 10)	1,009,324	2,482,715	1,574,176
Depreciation (Schedule 11)	-	670,620	553,345
	4,500,226	7,825,055	7,322,980
Current surplus (deficit)	-	(433,486)	264,652
Accumulated surplus - Beginning of the year	2,505,611	2,505,611	2,240,959
Accumulated surplus - End of the year (Note 13)	\$ 2,505,611	\$ 2,072,125	\$ 2,505,611
Expense by object disclosure (Note 15)			

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Consolidated Statement of Changes in Net Debt For the Year Ended March 31, 2022

	2022 Budget	2022	(Restated - see Note 26) 2021
Current surplus (deficit)	\$ -	\$ (433,486)	\$ 264,652
Amortization of tangible capital assets	-	670,620	553,345
Change in prepaid expenses	-	6,497	40,942
Acquisition of tangible capital assets	-	(572,833)	(1,057,540)
Change in net debt during the year	-	(329,202)	(198,601)
Net debt - Beginning of year	-	(5,739,167)	(5,540,566)
Net debt - End of year	\$ -	\$ (6,068,369)	\$ (5,739,167)

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Consolidated Statement of Cash Flows For the Year Ended March 31, 2022

	2022	(Restated - see Note 26) 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Current surplus (deficit)	\$ (433,486)	\$ 264,652
Non-cash items:		
Amortization	670,620	553,345
Change in working capital items:		
Trust funds held by Federal Government	736	21,418
Accounts receivable	(405,995)	(37,949)
Accounts payable	(55,875)	(33,652)
Unexpended revenue	194,659	410,030
Prepaid expenses	6,497	40,942
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(22,844)	1,218,786
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted assets	56,704	114,717
Due from related parties	130,000	218,046
Loss from investments	19,262	17,586
NET CASH USED BY INVESTING ACTIVITIES	205,966	350,349
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of long term debt	694,299	99,110
Repayment of long term debt	(444,571)	(461,875)
NET CASH USED BY FINANCING ACTIVITIES	249,728	(362,765)
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Tangible capital assets additions	(572,833)	(1,057,540)
NET CASH USED BY CAPITAL ACTIVITIES	(572,833)	(1,057,540)
Net cash increase (decrease)	(139,983)	148,830
Cash (bank indebtedness) at beginning of period	26,675	(122,155)
Cash (bank indebtedness) at end of period	\$ (113,308)	\$ 26,675

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies

Nekaneet First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include Nekaneet First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

The reporting entity Nekaneet First Nation is governed by elected officials from the Nekaneet First Nation.

a. Basis of Accounting

These financial statements have been prepared in accordance with CPA Canada Public Sector Accounting Standards prescribed for governments.

b. Reporting entity

The Nekaneet First Nation reporting entity includes the Nekaneet First Nation government and all related entities, which are accountable to the First Nation and are either owned or controlled by the First Nation.

c. Principles of consolidation

These financial statements consolidate the assets, liabilities, and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

Nekaneet First Nation - Operations
Nekaneet First Nation - CMHC Housing Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Under the modified equity method of accounting, only Nekaneet First Nation's investment in the government business enterprise or government business partnership and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Nekaneet First Nation. Entities recorded under the modified equity method include:

New Horizon First Nations Administration Inc.
Nekaneet First Nation Investment Holdings Ltd
Nekaneet Management Ltd.
Nekaneet Holdings GP Ltd.
Keseechiwan Holdings LP
FHQTC Developments LP

d. Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

e. Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets is comprised of two components, non-financial assets and accumulated surplus.

f. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of 90 days or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Any cash that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties.

g. Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

It has been assessed by management that as at March 31, 2022 there was no liability.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

h. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nekaneet First Nation's incremental cost of borrowing.

Amortization is provided for over the estimated useful lives of the assets. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Housing	25 years Straight line
Furniture and Equipment	3 - 10 years Straight line
Vehicles and machinery	5 - 15 years Straight line
Infrastructure	10 - 40 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Nekaneet First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

i. Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and member advances are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

j. Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

k. Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

l. Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is not practicable.

Government transfers, which includes transfers from Indigenous Services Canada, the Ottawa Revenue Trust, File Hills Qu'Appelle Tribal Council, the Government of Saskatchewan, Canada Mortgage and Housing Corporation, and First Nations Trust are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for a specific purpose.

Other revenues, including administration fees, expense recoveries, interest, and rent are recorded when earned.

Earnings from government business enterprises and limited partnership are recorded based on the modified equity method, based on the ownership percentage held and reported income of the other entities.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

m. Recognition of expenses

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

n. Investments

Portfolio investments are recorded using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

o. Pension plan

Nekaneet First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

p. Leased assets

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred. No assets under capital lease, or obligations under capital lease existed as of March 31, 2022.

q. Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

r. Other Economic Interests

The First Nation is a member of the File Hills Qu'Appelle Tribal Council (FHQTC). The File Hills Qu'Appelle Tribal Council is an organization of 11 nations.

The First Nation does not either share in the control or the profit or loss of File Hills Qu'Appelle Tribal Council. As a result, the financial statements of the FHQTC have not been consolidated or proportionately consolidated with the financial statements of Nekaneet First Nation.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

2. Restricted Assets

The First Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the First Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the First Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to First Nation housing in future years.

The First Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1997 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Restricted assets are comprised of the following:

	2022	2021
CMHC - Funded reserves	\$ 134,179	\$ 114,958
Funds held for Capital Projects	35,022	110,947
	\$ 169,201	\$ 225,905

3. Trust funds held by federal government

	2022		2021	
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 3,048	\$ 17,564	\$ 20,612	\$ 42,029
Lease revenue	123,786	-	123,786	129,817
Interest income	7,978	-	7,978	766
Withdrawals	(132,500)	-	(132,500)	(152,000)
	\$ 2,312	\$ 17,564	\$ 19,876	\$ 20,612

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

4. Accounts Receivable

	2022	(Restated - see Note 26) 2021
Trade Receivables		
Trade accounts receivable	\$ 297,876	\$ 80,333
Receivable from employees	6,876	6,226
Sales tax receivable	2,743	69,113
	307,495	155,672
Allowance for doubtful accounts	(7,849)	(7,849)
	299,646	147,823
Due from government and other government organizations		
CMHC - Special Contribution	225,000	-
File Hills Qu'Appelle Tribal Council	76,013	83,477
CMHC - Subsidy	8,398	8,344
Indigenous Services Canada	-	23,418
	309,411	115,239
	\$ 609,057	\$ 263,062

5. Due from New Horizon First Nations Administration

Nekaneet First Nation conducts business transactions with New Horizon First Nations Administration. These transactions are in the normal course of business for fair consideration that is mutually agreed upon by the related parties. The balance owing to the First Nation is non-interest bearing and not subject to fixed repayment terms.

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

6. Limited Partnership Interests

The First Nation has an 8.3% interest in Keseechiwan Holdings LP and FHQTC Developments LP. Summarized financial information for the investments in government business partnerships for the year ended March 31 is as follows:

	Keseechiwan Holdings LP	FHQTC Developments LP	2022	Keseechiwan Holdings LP	FHQTC Developments LP	2021
Total assets	\$ 32,098,059	\$ 5,390,294	\$37,488,353	\$ 32,819,847	\$ 5,527,916	\$38,347,763
Total liabilities	28,413,919	352,585	28,766,504	29,885,957	246,785	30,132,742
Equity	3,684,140	5,037,709	8,721,849	2,933,890	5,281,131	8,215,021
	32,098,059	5,390,294	37,488,353	32,819,847	5,527,916	38,347,763
Revenue	3,690,751	1,502,487	5,193,238	3,623,923	1,147,060	4,770,983
Expenses	2,428,107	1,745,909	4,174,016	2,754,237	1,358,291	4,112,528
Net income (loss) for the year	\$ 1,262,644	\$ (243,422)	\$ 1,019,222	\$ 869,686	\$ (211,231)	\$ 658,455

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

The First Nation's investment in Keseechiwan Holdings LP is written to \$1 as the First Nation has withdrawn more than their partner's capital. As a result, all withdrawals has been recognized as an income of the First Nation and their share of net income is not recorded. The First Nation's limited partnership interests in FHQTC Developments LP consist of the following:

	2022	(Restated - see Note 26) 2021
Balance, beginning of the year	\$ 439,927	\$ 457,523
Share of the earnings	(20,277)	(17,596)
	\$ 419,650	\$ 439,927

7. Bank Indebtedness

The First Nation has an approved operating line of credit with a limit of \$60,000 with Peace Hills Trust bearing interest at prime rate plus 2%. The draw on the line of credit is \$150,314 (2021 - \$nil). There were outstanding cheques issued in excess of deposits totaling \$255,598 (2021 - \$85,625).

The First Nation has no authorized overdraft protection with Bank of Montreal (BMO) general account, any amounts overdrawn bear interest at 21%. This account was overdrawn to the amount of \$4,615 (2021 - \$nil).

The First Nation has an approved operating line of credit with a limit of \$30,000 with Bank of Montreal (BMO) Elders account bearing interest at prime rate plus 2.25%. The draw on the line of credit is \$10,088 (2021 - \$11).

8. Accounts payable

	2022	2021
Supplier accounts	\$ 523,883	\$ 580,130
Group insurance payable	3,435	-
Pension payable	1,999	2,488
Employee source deductions payable	1,792	4,366
Wages payable	1,758	1,758
	\$ 532,867	\$ 588,742

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

9. Unexpended revenue

ISC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Unexpended funds" on the financial statements.

	Balance, beginning of the year	Contributions received	Amount recognized	2022
ISC Capital funding				
Water Treatment	\$ 44,675	\$ -	\$ (2,977)	\$ 41,698
ISC Funding				
Renovations - Immediate Needs	74,326	93,440	-	167,766
Water Systems	48,107	156,093	(94,457)	109,743
Wastewater systems	78,442	91,668	(78,363)	91,747
Basic Needs	30,917	231,416	(196,589)	65,744
COVID-19 ICSF 3 Food Security	21,001	74,300	(43,875)	51,426
Roads and Bridges	-	110,844	(67,571)	43,273
Skills Link	11,406	115,432	(85,561)	41,277
FIN MGMT GOV CAP DEV	-	40,650	-	40,650
Summer Work Experience Program	-	52,897	(18,752)	34,145
Student Transportation	-	141,382	(109,138)	32,244
JP Cultural Support - Horse Program	-	84,668	(54,720)	29,948
Summer Work Experience - COVID-19	27,504	-	-	27,504
Community Buildings	-	114,462	(94,699)	19,763
Institutional Care	1,607	16,728	-	18,335
Basic needs - COVID-19	14,683	-	-	14,683
Employment & Training	15,078	33,345	(36,197)	12,226
Recovery (COVID-19)	-	202,774	(192,874)	9,900
Economic Development - Gas Bar Business Plan & Engineering	-	82,800	(73,447)	9,353
JP Education Cultural Liaison	-	44,986	(38,023)	6,963
Home Care - COVID-19	4,000	-	-	4,000
Special needs - COVID-19	3,945	-	-	3,945
Provincial School Tuition	11,105	-	(11,105)	-
FN School Protect Formula	2,772	-	(2,772)	-
COVID-19 ICSF 3 Perimeter Security	37,504	-	(37,504)	-

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

9. Unexpended revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2022
Emergency Preparedness	17,449	-	(17,449)	-
P & ID - Band Administration training	5,950	-	(5,950)	-
Provincial School Targeted HCSE	9,054	-	(9,054)	-
P & ID - Community development	42,500	-	(42,500)	-
	457,350	1,687,885	(1,310,600)	834,635
FNIHB Funding				
CDCM - Public Health Nurse & CHR	70,804	229,263	(101,821)	198,246
Jordan's Principle - Youth Workers	-	73,040	(41,995)	31,045
Medical Transportation - Admin	34,981	42,500	(58,182)	19,299
Capital Investments	16,405	-	-	16,405
Mental Wellness	1,554	318,414	(311,068)	8,900
COVID-19 Health Facility	20,332	-	(12,163)	8,169
CDE Planning & Response	6,157	6,841	(7,481)	5,517
Health Research & Engagement	602	4,565	(1,179)	3,988
Canadian Prenatal Nutrition Program	-	7,701	(4,420)	3,281
Fetal Alcohol Spectrum Disorder	1,400	3,000	(1,700)	2,700
TB Prevention and Promotion	2,800	1,028	(1,900)	1,928
HIV/AIDS Prevention Promotion & Education	5,646	-	(5,646)	-
Health Infrastructure - Connectivity & Maintenance	9,654	-	(9,654)	-
	170,335	686,352	(557,209)	299,478

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

9. Unexpended revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2022
Other Funding				
CFS Capacity Building	-	250,000	(191,128)	58,872
FHQ - Daycare	13,039	101,696	(72,028)	42,707
FHQ - Aboriginal Head Start	35,080	146,959	(170,060)	11,979
FHQ - Parent Mentor	600	23,422	(16,123)	7,899
FHQ - Case Management	2,652	-	(2,652)	-
FHQ - Daycare COVID-19	47,067	-	(47,067)	-
FHQ - Aboriginal Head Start COVID-19	12,094	-	(12,094)	-
TC Keystone Pipeline LP	222,542	-	(222,542)	-
Living Sky Consumption Tax	1,018	-	(1,018)	-
Specific Claims Settlement Trust	96,157	-	(96,157)	-
	430,249	522,077	(830,869)	121,457
	\$ 1,102,609	\$ 2,896,314	\$ (2,701,655)	\$ 1,297,268

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

10. Long-term debt

	2022	2021
Scotia Bank Phase 6, repayable at \$668/month including interest at 3.74%. The mortgage term expired January 1, 2022.	\$ -	\$ 6,568
CMHC Phase 10, repayable at \$1,101/month including interest at 0.75%. The mortgage term expires February 1, 2025.	38,116	50,995
CMHC Phase 11, repayable at \$1,390/month including interest at 2.50%. The mortgage term expires June 1, 2023.	80,792	95,265
CMHC Phase 12, repayable at \$1,493/month including interest at 1.30%. The mortgage term expires April 1, 2026.	144,126	160,115
CMHC Phase 13, repayable at \$2,563/month including interest at 2.68%. The mortgage term expires October 1, 2023.	306,158	328,425
CMHC Phase 14, repayable at \$2,198/month including interest at 1.86%. The mortgage term expires April 1, 2024.	386,060	405,095
CMHC Phase 15 Advance with interest adjustment date after year end.	321,037	-
CMHC Phase 16 Advance with interest adjustment date after year end.	167,074	-
Bank loan with Bank of Montreal (BMO) repayable at \$91,677/month including interest at prime plus 2.00%. Loan matures on March 30, 2036 and is secured by Band Council Resolution authorizing the loan.	1,283,342	1,375,009
Bank loan with Bank of Montreal (BMO) repayable at \$8,675/month including interest at prime plus 2.00%. Loan matures on March 30, 2030 and is secured by Band Council Resolution authorizing the loan.	69,397	78,072
Bank loan with Peace Hills Trust repayable at \$18,500/month and \$20,000/quarter including interest at 6.00%. Loan matures on October 1, 2025 and is secured by GSA, ISC, FNT & FNGST.	1,270,527	1,281,979
Bank loan with Peace Hills Trust repayable at \$3,386/month including interest at 7.00%. Loan matures on June 4, 2023 and is secured by GSA, ISC, FNT & FNGST.	51,864	87,242
	\$4,118,493	\$3,868,765

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

10. Long-term debt continued

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are as follows:

	Bank debt & financing contracts	CMHC Mortgages	Total
2023	\$ 371,455	\$ 86,097	\$ 457,552
2024	320,235	87,763	407,998
2025	277,676	88,389	366,065
2026	288,613	77,935	366,548
2027	300,225	79,613	379,838
Subsequent	1,116,926	1,023,566	2,140,492
	\$ 2,675,130	\$ 1,443,363	\$ 4,118,493

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

11. Investment (loss) in Government Business Enterprises

Government business enterprises are those organizations that meet the definition of government business enterprises as described by Public Sector Accounting Standards of CPA Canada. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government. The First Nation owns a 100% interest in New Horizon First Nations Administration Inc. (year end - December 31) and a 100% interest in Nekaneet First Nation Investment Holdings Ltd., Nekaneet Management Ltd., and Nekaneet Holdings GP Ltd. (year end - March 31). Summarized financial information for the investments in government business enterprises as at their individual year ends is as follows:

	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2022	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2021
Cash	\$ 3,680	\$ 815	\$ -	\$ -	\$ 4,495	\$ 26,551	\$ -	\$ -	\$ -	\$ 26,551
Other Assets	208,723	10	100	100	208,933	255,127	10	-	-	255,137
	212,403	825	100	100	213,428	281,678	10	-	-	281,688
Liabilities	1,512,219	-	-	-	1,512,219	1,581,494	-	-	-	1,581,494
Equity	(1,299,816)	10	100	100	(1,299,606)	(1,299,816)	10	-	-	(1,299,806)
	212,403	10	100	100	212,613	281,678	10	-	-	281,688
Revenue	448,277	120,000	-	-	568,277	231,477	776,552	-	-	231,477
Expenses	(680,873)	(119,185)	-	-	(800,058)	(245,155)	(869,052)	-	-	(245,155)
Net loss before other items	(232,596)	815	-	-	(231,781)	(13,678)	(92,500)	-	-	(13,678)
Other items	232,596	-	-	-	-	13,678	92,500	-	-	13,678
Net income for the year	\$ -	\$ 815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

11. Investment (loss) in Government Business Enterprises continued

The First Nation's government business enterprises consist of the following:

	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2022	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2021
Balance, beginning of the year	\$ (1,299,816)	\$ 10	\$ -	\$ -	\$ (1,299,806)	\$ (1,299,816)	\$ -	\$ -	\$ -	\$(1,299,816)
Share of earnings	-	815	-	-	815	-	-	-	-	-
Purchase of shares	-	-	100	100	200	-	10	-	-	10
	\$ (1,299,816)	\$ 825	\$ 100	\$ 100	\$ (1,298,791)	\$ (1,299,816)	\$ 10	\$ -	\$ -	\$(1,299,806)

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

12. Tangible Capital Assets

March 31, 2022	Land	CMHC Houses	First Nation Houses	Buildings	Infrastructure & Roads	Equipment	Machinery	Vehicles	Computer	Assets under construction	Total
Cost											
Balance, beginning of year	\$ 1,402,971	\$ 3,392,906	\$ 2,399,175	\$ 6,544,719	\$ 2,060,368	\$ 637,267	\$ 191,063	\$ 554,461	\$ 14,117	\$ 144,480	\$ 17,341,527
Additions	-	-	193,025	-	37,978	57,294	-	107,000	-	370,561	765,858
Disposals	-	(193,025)	-	-	-	-	-	-	-	-	(193,025)
Balance, end of year	1,402,971	3,199,881	2,592,200	6,544,719	2,098,346	694,561	191,063	661,461	14,117	515,041	17,914,360
Accumulated amortization											
Balance, beginning of year	-	1,991,504	314,889	5,432,426	419,142	535,082	20,737	381,128	8,338	-	9,103,246
Amortization	-	127,995	103,688	261,789	54,547	29,076	12,738	78,864	1,923	-	670,620
Balance, end of year	-	2,119,499	418,577	5,694,215	473,689	564,158	33,475	459,992	10,261	-	9,773,866
Net Book Value, end of Year	1,402,971	1,080,382	2,173,623	850,504	1,624,657	130,403	157,588	201,469	3,856	515,041	8,140,494
March 31, 2021											
Cost											
Balance, beginning of year	1,402,971	3,392,906	1,824,349	6,544,719	2,051,727	518,716	120,000	527,237	6,888	-	16,389,513
Additions	-	-	574,826	-	8,641	118,551	71,063	132,750	7,229	144,480	1,057,540
Disposals	-	-	-	-	-	-	-	(105,526)	-	-	(105,526)
Balance, end of year	1,402,971	3,392,906	2,399,175	6,544,719	2,060,368	637,267	191,063	554,461	14,117	144,480	17,341,527
Accumulated amortization											
Balance, beginning of year	-	1,918,608	218,922	5,209,967	366,838	511,135	8,000	416,987	4,970	-	8,655,427
Amortization	-	72,896	95,967	222,459	52,304	23,947	12,737	69,667	3,368	-	553,345
Reduction	-	-	-	-	-	-	-	(105,526)	-	-	(105,526)
Balance, end of year	-	1,991,504	314,889	5,432,426	419,142	535,082	20,737	381,128	8,338	-	9,103,246
Net Book Value, end of year	\$ 1,402,971	\$ 1,401,402	\$ 2,084,286	\$ 1,112,293	\$ 1,641,226	\$ 102,185	\$ 170,326	\$ 173,333	\$ 5,779	\$ 144,480	\$ 8,238,281

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

13. Accumulated surplus

	2022	2021
Equity in capital assets	\$ 4,079,635	\$ 4,369,514
Equity in investments	879,141	859,879
CMHC replacement reserves	401,676	310,456
CMHC operating reserve	259,831	114,600
Operating fund	(3,548,158)	(3,148,838)
	\$ 2,072,125	\$ 2,505,611

- The operating fund reports on the general activities of the First Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the First Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

14. Reconciliation of ISC revenue

ISC revenue consists of the following:

	2022	2021
ISC - Flexible Contribution	\$ 2,254,920	\$ 3,256,877
ISC - Fixed Contribution	1,962,549	1,615,287
ISC - Grant	255,809	235,030
ISC - Set contribution	121,728	23,228
	\$ 4,595,006	\$ 5,130,422

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

15. Expenses by object

	2022	2022	2021
	Budget	Actual	Actual
Contracted Services	\$ 268,007	\$ 1,716,704	\$ 1,583,720
Salaries and benefits	1,320,916	1,387,083	1,446,582
Assistance	475,059	747,513	620,061
Amortization	-	670,620	553,345
Student Tuition & Allowances	424,720	631,218	437,136
Program Activities	94,000	466,294	325,980
Professional fees	124,500	453,311	505,459
Activities	150,804	437,366	388,292
Admin fees	158,348	291,831	210,577
Utilities	174,745	272,876	235,160
Travel	154,669	235,340	144,596
Supplies	320,033	207,298	1,021,330
Interest and bank charges	531,131	205,179	191,928
Meetings & workshops	96,391	170,799	196,898
Equipment Purchase	11,201	164,294	296,763
Insurance	66,010	118,334	87,843
Repairs and maintenance	95,692	116,960	125,574
Honorarium	3,000	103,125	2,750
Vehicle operation	1,000	1,743	530
Replacement Reserve transfer	30,000	-	-
Total expenses before transfers	4,500,226	8,397,888	8,374,524
Transfer to capital assets	-	(572,833)	(1,051,544)
	\$ 4,500,226	\$ 7,825,055	\$ 7,322,980

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

16. CMHC housing restricted funds

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$13,020 to the reserve. At March 31, 2022, the reserve is required to be funded to a level of \$401,676 (2021 - \$181,723). At March 31, 2022, the cash balance in the reserve is \$134,179 (2021 - \$114,959).
- An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2022, the reserve is required to be funded to a level of \$259,832 (2021 - \$243,333). At March 31, 2022, the cash balance in the reserve is \$10,914 (2021 - \$nil).

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

17. Health Canada - Moveable Assets Reserve (MAR)

Health Canada funding agreements requires the First Nation to report on funding received and related expenditures for all assets over \$1,000 that are not permanently attached to the health facility building (e.g. medical equipment, furniture, vehicles).

There was no MAR for the current year.

18. Contingent liabilities

Nekaneet First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Nekaneet First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Nekaneet First Nation's financial statements.

The First Nation is contingently liable for a loan of New Horizon First Nations Administration Inc. with Peace Hills Trust. At December 31, 2021, there was an outstanding balance of \$934,810 (2020 - \$1,004,281).

19. Trusts under administration

Nekaneet First Nation holds assets in trust as a result of a settlement claim with Canada. These assets are managed by a corporate trustee and are not included on the statement of financial position as assets of the First Nation. Amounts held in trust at year end are the following:

	December 31, 2021	December 31, 2020
Nekaneet Treaty Benefits Claims Trust	\$12,057,994	\$11,042,145

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

20. Economic dependence

Nekaneet First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

21. ISC funding

The First Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC.

There are five approaches that ISC may consider in the design and delivery of transfer payment programs:

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to ISC annually.
3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by ISC. A plan must be submitted and approved by ISC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by ISC.
4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to ISC at the end of the project, program or agreement.
5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by ISC.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

22. Segmented information

As previously discussed in note 1 (j) the First Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada (ISC)

Community Development: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education: Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indigenous Government Support: Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Social Development: First Nations' people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc

Registration and Membership: Cost associated with the maintenance of the Indian Register, a record of everyone who is registered as a member of the First Nation under the Indian Act.

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

22. Segmented information continued

Governance and Institutions: Costs associated with Governance and Institution of Government activities.

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing internship Initiative for First Nations and Inuit Youth.

4 - Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

23. Pension Plan

The Nekaneet First Nation and eligible employees participate in a defined contribution pension plan.

The Nekaneet First Nation financial obligation is limited to providing contributions at a specific rate in respect of employees' current service. Information regarding contributions to the above mentioned pension plans is as follows:

	2022	2021
Employee contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%
Employer contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%

During the year, the Nekaneet First Nation contributed \$8,393 (2021 - \$9,604) to the pension plan.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

24. Financial Instruments

The First Nation, as part of its operations, carries a number of financial instruments. Financial assets include cash, restricted cash, trust funds, related party advances, and accounts receivable and are measured at amortized cost as presented on the consolidated balance sheet, except for the investment in government business enterprise and limited partnership interests, which are measured using the modified equity method.

Financial liabilities include bank indebtedness, accounts payable, unexpended revenue, and long-term debt and are measured at amortized cost as presented on the consolidated balance sheet.

The First Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the First Nation is exposed.

Interest rate risk

The First Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The First Nation is also exposed to interest rate price risk to the extent that agreements receivable are at a fixed rate of interest.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the First Nation maintains a portion of its invested assets in liquid securities.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the First Nation is exposed are interest rate risk and price risk.

25. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the budget approved by the Nekaneet First Nation's Chief and Council.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

26. Prior Period Adjustments

The First Nation has adjusted its comparative financial information as at and for the year ending March 31, 2021 due to the correction of the following:

Government Components

During the year, the investment in Nekaneet First Nation Investment Holdings Ltd. were determined to be investment in government business enterprise which must be accounted for under the modified equity method. Previously, this entity was consolidated into the First Nations' consolidated financial statements on a full consolidation basis in error.

Limited Partnership Investment

During the year, the investment in Kessechiwan Holdings LP were determined to be government business partnerships which must be accounted for under the modified equity method and were previously recorded at cost. During the year, it was determined that the investment in FHQTC Developments LP has not been reorded in the accounting books in previous years. As a result, it was determined that the investment in FHQTC Developments LP is government business partnerships which must be accounted for under the modified equity method.

Accounts Receivable

During the year, it was determined that a receivable recognized in 2021 were inaccurate as it doesn't exist.

As a result of these errors, the following consolidated financial statements items have been adjusted:

	2021 Previously Reported	Adjustments	2021 Restated
Consolidated Statement of Financial Position			
Accounts receivable	\$ 263,062	\$ (60,000)	\$ 203,062
Limited Partnership interests	60,000	379,927	439,927
Loss in Government Business Enterprises	1,299,816	(10)	1,299,806
Consolidated Statement of Operations			
Nekaneet First Nation Investment Holdings Limited	776,552	(776,552)	-
Kessechiwan Holdings - casino dividend	60,000	(60,000)	-
Limited Partnership Loss	-	17,596	17,596
Nekaneet First Nation Investment Holdings Limited	869,052	(869,052)	-
Annual surplus (deficit)	342,237	(606,889)	(264,652)
Accumulated Surplus - end of year	\$ 2,185,672	\$ 319,939	\$ 2,505,611

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

27. Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Nekaneet First Nation

Schedule #1

Community Development

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 438,828	\$ 619,593	\$ 438,828
ISC - Flexible Contribution	97,281	229,441	1,282,597
File Hills Qu'Appelle Tribal Council	14,400	14,400	14,400
Transfer - Community Development Account	-	-	203,643
Other revenue	-	-	11,000
Recognition (deferral) of unexpended funding	-	(210,993)	158,137
	550,509	652,441	2,108,605
Expenses			
Salaries and benefits	216,412	176,637	209,892
Contracted Services	37,200	164,923	1,057,330
Utilities	79,800	116,289	106,005
Supplies	31,087	63,807	513,942
Admin fees	1,000	52,619	30,988
Repairs and maintenance	92,901	38,681	74,951
Insurance	32,860	34,909	34,326
Equipment Purchase	-	17,371	-
Janitorial Services	19,442	12,470	4,875
Travel	24,856	10,500	8,838
Meetings & workshops	2,500	7,150	170
Interest and bank charges	-	270	75,952
Professional fees	-	-	3,543
Transfer to capital assets	-	(55,350)	(601,765)
	538,058	640,276	1,519,047
Current surplus	\$ 12,451	\$ 12,165	\$ 589,558

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #2

Economic Development

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ -	\$ 175,197	\$ 43,515
File Hills Qu'Appelle Tribal Council	33,369	33,369	33,369
Recognition (deferral) of unexpended funding	-	(9,353)	50
	<u>33,369</u>	<u>199,213</u>	<u>76,934</u>
Expenses			
Professional fees	-	170,853	38,227
Contracted Services	26,032	12,975	28,600
Supplies	-	8,142	-
Assistance to members	-	5,000	-
Admin fees	3,337	3,337	3,337
Travel	4,000	3,154	4,000
	<u>33,369</u>	<u>203,461</u>	<u>74,164</u>
Current surplus (deficit)	<u>\$ -</u>	<u>\$ (4,248)</u>	<u>\$ 2,770</u>

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #3

Education

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 1,041,448	\$ 1,082,721	\$ 943,742
ISC - Flexible Contribution	-	84,668	-
Other revenue	-	237,500	25,000
Recognition (deferral) of unexpended funding	-	(110,240)	(17,563)
	<u>1,041,448</u>	<u>1,294,649</u>	<u>951,179</u>
Expenses			
Student Tuition & Allowances	424,720	619,563	435,351
Salaries and benefits	241,512	202,505	176,532
Assistance	109,700	153,597	162,966
Contracted Services	13,973	125,968	25,678
Program Activities	-	97,710	-
Admin fees	24,948	71,017	55,212
Supplies	200,054	27,747	10,000
Professional fees	-	20,400	17,000
Travel	3,000	19,884	1,685
Equipment Purchase	-	15,000	111,750
Honorarium	-	14,950	500
Groceries and food	-	14,700	1,200
Fuel costs	10,000	9,250	7,200
Activities	-	6,570	-
Meetings & workshops	-	1,650	625
Repairs and maintenance	1,791	1,400	278
Insurance	750	919	1,440
Vehicle operation	1,000	-	-
Replacement Reserve transfer	10,000	-	-
Transfer to capital assets	-	(15,000)	(111,750)
	<u>1,041,448</u>	<u>1,387,830</u>	<u>895,667</u>
Current surplus (deficit)	<u>\$ -</u>	<u>\$ (93,181)</u>	<u>\$ 55,512</u>

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #4

Indigenous Government Support
Schedule of Operations
For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Grant	\$ 210,899	\$ 255,809	\$ 235,030
ISC - Flexible Contribution	5,884	5,884	5,884
Administrative Fees	58,762	124,577	183,282
Other revenue	12,000	50,328	6,579
	287,545	436,598	430,775
Expenses			
Salaries and benefits	402,321	284,645	399,395
Professional fees	42,000	59,608	167,925
Utilities	5,000	37,431	19,583
Insurance	3,600	36,345	22,269
Travel	75,000	35,446	47,669
Interest and bank charges	300	33,178	10,770
Supplies	5,324	6,806	17,740
Repairs and maintenance	-	4,770	1,893
Contracted Services	75,000	1,820	5,666
Groceries and food	-	605	449
Meetings & workshops	-	-	1,564
	608,545	500,654	694,923
Current deficit	\$ (321,000)	\$ (64,056)	\$ (264,148)

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #5

Social Development

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 262,904	\$ 496,523	\$ 457,111
ISC - Fixed Contribution	37,082	36,988	37,082
ISC - Set contribution	16,728	16,728	16,728
Recognition (deferral) of unexpended funding	-	(58,603)	(19,649)
	316,714	491,636	491,272
Expenses			
Assistance	154,059	145,306	113,828
Utilities	49,420	71,623	66,719
Assistance to members	-	65,069	85,718
Program Activities	-	62,022	25,300
Salaries and benefits	53,119	46,328	44,307
Meetings & workshops	29,017	34,452	31,852
Admin fees	-	20,277	16,921
Groceries and food	-	12,391	16,541
Supplies	1,420	12,098	19,598
Contracted Services	-	10,900	31,909
Equipment Purchase	10,001	7,775	3,865
Activities	18,728	3,924	36,819
Vehicle operation	-	1,745	529
Professional fees	-	1,000	2,706
Travel	950	700	1,305
Transfer to capital assets	-	(7,775)	-
	316,714	487,835	497,917
Current surplus (deficit)	\$ -	\$ 3,801	\$ (6,645)

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #6

Registration and Membership

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Indigenous Services Canada	\$ 5,000	\$ 5,000	\$ 5,000
Expenses			
Salaries and benefits	5,000	5,023	3,096
Supplies	-	-	146
Travel	-	-	878
	5,000	5,023	4,120
Current surplus (deficit)	\$ -	\$ (23)	\$ 880

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #7

Governance and Institution

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 85,000	\$ 369,984	\$ 390,677
ISC - Fixed Contribution	-	-	42,500
Recognition (deferral) of unexpended funding	-	14,879	(30,456)
	85,000	384,863	402,721
Expenses			
Contracted Services	1,500	185,740	103,996
Salaries and benefits	53,375	62,504	54,966
Groceries and food	-	58,608	31,099
Equipment Purchase	-	45,000	-
Meetings & workshops	-	30,654	70,111
Program Activities	-	25,251	12,150
Admin fees	6,375	8,500	-
Honorarium	3,000	5,000	2,000
Activities	10,000	3,430	10,000
Travel	5,000	3,048	5,535
Fuel costs	2,000	3,000	1,950
Insurance	-	500	-
Supplies	3,750	450	112,948
Transfer to capital assets	-	(45,000)	(1,232)
	85,000	386,685	403,523
Current deficit	\$ -	\$ (1,822)	\$ (802)

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #8

Health Services

Schedule of Operations

For the Year Ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Flexible Contribution	\$ 590,268	\$ 818,420	\$1,102,331
ISC - Set contribution	94,000	105,000	6,500
ISC - Fixed Contribution	-	-	104,620
Administrative Fees	20,665	32,698	27,295
Other revenue	-	(8,386)	-
Recognition (deferral) of unexpended funding	-	(129,142)	(119,635)
	704,933	818,590	1,121,111
Expenses			
Salaries and benefits	180,519	233,811	184,449
Contracted Services	69,914	132,354	174,623
Activities	107,076	97,772	200,976
Program Activities	-	90,811	86,950
Travel	40,363	82,358	49,990
Admin fees	97,447	57,517	58,795
Supplies	77,357	43,557	175,961
Utilities	15,457	21,156	20,890
Meetings & workshops	48,720	15,305	49,012
Equipment Purchase	-	15,000	62,579
Professional fees	62,500	10,455	81,400
Repairs and maintenance	-	7,864	3,714
Groceries and food	2,500	6,543	402
Insurance	2,000	4,789	2,978
Honorarium	-	1,325	-
Assistance	-	700	-
Interest and bank charges	1,080	-	-
Transfer to capital assets	-	(15,000)	(62,579)
	704,933	806,317	1,090,140
Current surplus	\$ -	\$ 12,273	\$ 30,971

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #9

CMHC Operations

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Canada Mortgage and Housing	\$ 100,654	\$ 486,355	\$ 149,475
Other revenue	44,730	19,683	28,517
	145,384	506,038	177,992
Expenses			
Contracted Services	-	520,631	6,435
Salaries and benefits	-	47,396	35,722
Interest and bank charges	112,835	20,419	23,390
Insurance	25,000	16,716	24,261
Admin fees	-	11,874	-
Supplies	-	7,164	61,381
Repairs and maintenance	-	-	2,974
Travel	-	-	362
Replacement Reserve transfer	20,000	-	-
Equipment Purchase	-	-	5,913
Transfer to capital assets	-	(370,561)	(144,480)
	157,835	253,639	15,958
Current surplus (deficit)	\$ (12,451)	\$ 252,399	\$ 162,034

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #10

Band Programs
Schedule of Operations
For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Indigenous Services Canada	\$ -	\$ 293,051	\$ 18,277
Other revenue	442,916	745,627	742,874
Community Development Account	280,000	400,872	432,639
File Hills Qu'Appelle Tribal Council	252,408	337,038	432,959
TC Keystone Pipeline LP	-	176,000	386,000
Ottawa Trust	121,000	131,764	177,537
First Nations Trust	124,000	101,461	123,625
Keseechiwan Holdings - monetary benefit	80,000	90,159	81,505
Government of Saskatchewan	30,000	25,765	16,263
Limited Partnership Earnings (loss)	-	20,277	17,596
Living Sky Community Development Corp	-	11,474	18,170
Earnings (loss) in GBE	-	814	-
Revenue Transfers	-	-	(203,643)
Recognition (deferral) of unexpended funding	-	308,793	(386,567)
	1,330,324	2,602,541	1,822,043
Expenses			
Contracted Services	24,946	548,923	144,608
Salaries and benefits	168,659	328,233	338,224
Activities	15,000	325,671	140,496
Assistance	208,800	284,996	207,859
Professional fees	20,000	190,996	194,657
Program Activities	94,000	190,500	201,580
Interest and bank charges	416,916	151,313	81,815
Honorarium	-	81,850	250
Meetings & workshops	16,154	81,587	43,564
Travel	1,500	80,251	24,334
Admin fees	25,241	66,690	45,324
Repairs and maintenance	1,000	64,246	41,764
Equipment Purchase	1,200	64,147	112,657
Supplies	1,040	37,524	109,615
Insurance	1,800	24,155	2,570
Utilities	13,068	14,127	12,813
Student Tuition & Allowances	-	11,653	1,784
Transfer to capital assets	-	(64,147)	(129,738)
	1,009,324	2,482,715	1,574,176
Current surplus	\$ 321,000	\$ 119,826	\$ 247,867

The accompanying notes are an integral part of these financial statements.

Nekaneet First Nation

Schedule #11

Depreciation
Schedule of Operations
For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Expenses			
Community Development	\$ -	\$ 433,656	\$ 388,718
CMHC	-	127,996	72,896
Band Programs	-	51,028	46,310
CMHC Operations	-	26,051	25,066
Education	-	19,828	16,828
Governance and Institutions	-	11,250	-
Indigenous Government Support	-	811	3,527
Current deficit	\$ -	\$ (670,620)	\$ (553,345)

The accompanying notes are an integral part of these financial statements.